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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this	23-cl day of	May	, 2008, by and between
Eleunor Deininger	, a single	Woman	
whose address is 3731 Avenue and, DALE PROPERTY SERVICES, L.L.C. 2100 hereinahove named as Lessee, but all other provi	O Foot With 187 (1985) O Ross Avenue, Suite 187 (1995) Including the completional paid and the covenant	0 Dallas Texas 75201, as	as Lessor, Lessee. All printed portions of this lease were prepared by the party prepared jointly by Lessor and Lessee. Thereby grants, leases and lets exclusively to Lessee the following
OUT OF THE Polytechnics  Took Wenth	OR LESS, BEING LOS (14415 1945) TARRANT PAGE /09.	COUNTY, TEXAS, A OF THE PLAT	ADDITION, AN ADDITION TO THE CITY OF ACCORDING TO THAT CERTAIN PLAT RECORDED RECORDS OF TARRANT COUNTY, TEXAS.
reversion, prescription or otherwise), for the pur substances produced in association therewith ( commercial gases, as well as hydrocarbon gases land now or hereafter owned by Lessor which are Lessor agrees to execute at Lessee's request any	rpose of exploring for, deve (including geophysical/seisr es. In addition to the above- re contiguous or adjacent to y additional or supplemental	loping, producing and mar mic operations). The term described leased premises the above-described lease instruments for a more con	including any interests therein which Lessor may hereafter acquire by keting oil and gas, along with all hydrocarbon and non hydrocarbon and selection and other and other this lease also covers accretions and any small strips or parcels of depremises, and, in consideration of the aforementioned cash bonus, note the accurate description of the land so covered. For the purpose shall be deemed correct, whether actually more or less.
	es covered hereby are produ	in force for a primary term o uced in paying quantities fro	of Superior (Superior ) years from the date hereof, and for one the leased premises or from lands pooled therewith or this lease is
separated at Lessee's separator facilities, the roplessor at the wellhead or to Lessor's credit at the the wellhead market price then prevailing in the prevailing price) for production of similar grade $\frac{1}{1}(\sqrt{2}, \sqrt{2}) + \sqrt{2} \sqrt{2} \sqrt{2}$ production, severance, or other excise taxes and Lessee shall have the continuing right to purchas no such price then prevailing in the same field, it he same or nearest preceding date as the date of more wells on the leased premises or lands poole are waiting on hydraulic fracture stimulation, but is be deemed to be producing in paying quantities there from is not being sold by Lessee, then Let Lessor's credit in the depository designated below while the well or wells are shut-in or production this being sold by Lessee from another well or well	nces produced and saved he byalty shall be Tide of yalty (b) for gas yalty (b) for gas yalty (b) for gas yalty (c) for gas yalty (c) for gas yalty (c) for ya	ion facilities, provided that o such price then prevailing (including casing head grazilized by Lessee from the see in delivering, processing evailing wellhead market profice there is such a prevail as its purchases hereunder; either producing oil or gas shut-in or producing oil or gas shut-in or producing there ing this lease. If for a pericity of one dollar per acre the said 90-day period and there is used to be provided that if the price of the said spooled therewith, in price in the said spooled therewith.	essee to Lessor as follows: (a) For oil and other liquid hydrocarbons %) of such production, to be delivered at Lessee's option to Lessee shall have the continuing right to purchase such production at g in the same field, then in the nearest field in which there is such a as) and all other substances covered hereby, the royalty shall be e sale thereof, less a proportionate part of ad valorem taxes and gor otherwise marketing such gas or other substances, provided that ice paid for production of similar quality in the same field (or if there is ing price) pursuant to comparable purchase contracts entered into on and (c) if at the end of the primary term or any time thereafter one or or other substances covered hereby in paying quantities or such wells from is not being sold by Lessee, such well or wells shall nevertheless of of 90 consecutive days such well or wells are shut-in or production here covered by this lease, such payment to be made to Lessor or to eafter on or before each anniversary of the end of said 90-day period his lease is otherwise being maintained by operations, or if production on shut-in royalty shall be due until the end of the 90-day period next hall render Lessee liable for the amount due, but shall not operate to
4. All shut-in royalty payments under this lebe Lessor's depository agent for receiving paymedraft and such payments or tenders to Lessor or address known to Lessee shall constitute proper payment hereunder, Lessor shall, at Lessee's req. 5. Except as provided for in Paragraph 3. a premises or lands pooled therewith, or if all propursuant to the provisions of Paragraph 6 or the nevertheless remain in force if Lessee commence on the leased premises or lands pooled therewith the end of the primary term, or at any time there operations reasonably calculated to obtain or rest no cessation of more than 90 consecutive days, there is production in paying quantities from the Lessee shall drill such additional wells on the lease to (a) develop the leased premises as to formatic.	ents regardless of changes in to the depository by deposition payment. If the depository quest, deliver to Lessee a proabove, if Lessee drills a well oduction (whether or not in the action of any governmentes operations for reworking in within 90 days after complications, this lease is not other than and if any such operations leased premises or lands posted premises or lands pooled it in the capable of production then capable of production then capable of productions are capable of productions then capable of productions the capable of productions are capable of pro	In the ownership of said land it in the US Mails in a stam should liquidate or be succoper recordable instrument if which is incapable of prod- paying quantities) permanental authority, then in the an existing well or for drilling etion of operations on such privile being maintained in his lease shall remain in for- result in the production of colled therewith. After com- dit therewith as a reasonably cing in paying quantities or	credit in <u>at lessor's address above</u> or its successors, which shall it. All payments or tenders may be made in currency, or by check or by ped envelope addressed to the depository or to the Lessor at the last seeded by another institution, or for any reason fail or refuse to accept naming another institution as depository agent to receive payments, tucing in paying quantities (hereinafter called "dry hole") on the leased ently ceases from any cause, including a revision of unit boundaries event this lease is not otherwise being maintained in force it shall ng an additional well or for otherwise obtaining or restoring production dry hole or within 90 days after such cessation of all production. If at force but Lessee is then engaged in drilling, reworking or any other ce so long as any one or more of such operations are prosecuted with oil or gas or other substances covered hereby, as long thereafter as pletion of a well capable of producing in paying quantities hereunder, or prudent operator would drill under the same or similar circumstances in the leased premises or lands pooled therewith, or (b) to protect the therewith. There shall be no covenant to drill exploratory wells or any
6. Lessee shall have the right but not the depths or zones, and as to any or all substance proper to do so in order to prudently develop or or unit formed by such pooling for an oil well which horizontal completion shall not exceed 640 acres completion to conform to any well spacing or den of the foregoing, the terms "oil well" and "gas we prescribed, "oil well" means a well with an initial gfeet or more per barrel, based on 24-hour procequipment; and the term "horizontal completion" component thereof. In exercising its pooling right production, drilling or reworking operations any reworking operations on the leased premises, exent acreage covered by this lease and included Lessee. Pooling in one or more instances shall runit formed hereunder by expansion or contracting prescribed or permitted by the governmental autit making such a revision, Lessee shall file of recontractions.	obligation to pool all or any as covered by this lease, eit operate the leased premises is not a horizontal completic plus a maximum acreage to asity pattern that may be preel!" shall have the meanings gas-oil ratio of less than 100 duction test conducted und "means an oil well in which means an oil well in which this hereunder, Lessee shall where on a unit which inclustept that the production on in the unit bears to the lots not exhaust Lessee's poolinicion or both, either before or thority having jurisdiction, or did a written declaration descriptions.	ther before or after the con, whether or not similar poon shall not exceed 80 acrepterance of 10%; provided the scribed or permitted by any prescribed by applicable lay000 cubic feet per barrel are normal producing cond to the horizontal component file of record a written devices all or any part of the which Lessor's royalty is call gross acreage in the unity grights hereunder, and Lerrafter commencement of producing the revised unit and	is or interest therein with any other lands or interests, as to any or all immencement of production, whenever Lessee deems it necessary or ding authority exists with respect to such other lands or interests. The esplus a maximum acreage tolerance of 10%, and for a gas well or a hat a larger unit may be formed for an oil well or gas well or horizontal or governmental authority having jurisdiction to do so. For the purpose aw or the appropriate governmental authority, or, if no definition is so not 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic litions using standard lease separator facilities or equivalent testing of the gross completion interval in facilities or equivalent testing of the gross completion interval in the reservoir exceeds the vertical claration describing the unit and stating the effective date of pooling, leased premises shall be treated as if it were production, drilling or alculated shall be that proportion of the total unit production which the trip to the extent such proportion of unit production is sold by asee shall have the recurring right but not the obligation to revise any production, in order to conform to the well spacing or density pattern inve acreage determination made by such governmental authority. In stating the effective date of revision. To the extent any portion of the total unit production of the production on which royalties are payable hereunder shall thereafter

leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by fitting of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full minera

such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee untill 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all

in accordance with the net acreage interest retained hereunder.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located tess than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during

equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, rick, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied coverants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from lessor a lease covering along or all of the substances covered by this lease and covering allong a notion of the land described bergin with the lease becoming effective unon

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default to remedy the breach or default to remedy the breach or default.

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracis of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend tille conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

ESSOR WHETHER ONE OR MORE)  Solitation Solitation  By: Eleanor Deininger	- 4.0mm	
By: Eleanor Deininger	Ву:	
AC	KNOWLEDGMENT	
COUNTY OF TENOR 33  This instrument was acknowledged before me on the 33  THE CARRY DELIN INGER	_day of May	. 2008,
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011	Notary Public, Stal Notary's pame (pri Notary's commissi	nled);
STATE OF COUNTY OF This instrument was acknowledged before me on the	day of	, 2008,



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

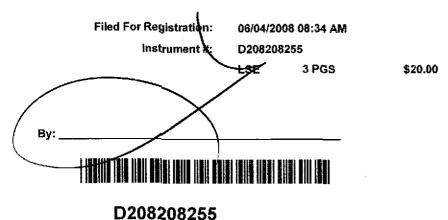
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> <u>WARNI</u>NG - THIS IS PART OF THE OFFICIAL RECORD.



ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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